

UNITED STATES DISTRICT COURT
DISTRICT OF MAINE

**IN RE COMPACT DISC MINIMUM
ADVERTISED PRICE ANTITRUST
LITIGATION**

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CIVIL No. 00-1361-P-H

[MDL NO. 1361]

[INCLUDING *Trowbridge, et al. v. Sony Music
Entm't Inc., et al.*, No. 2:01-cv-125-H]

Retail purchasers of music compact discs (CDs), along with State Attorneys General, claimed that music CD retailers and distributors illegally conspired over advertising policies so as to inflate CD retail prices. While the retailers and distributors denied wrongdoing, all parties except for music club purchasers entered into a settlement agreement consisting of \$67.375 million cash plus 5.6 million CDs to be distributed to the States, and injunctive relief. United States District Judge D. Brock Hornby approved the settlement and awarded attorney fees on July 9, 2003. In re Compact Disc, 2003 U.S. Dist. LEXIS 12663, MDL Docket No. 1361 (D. Me.) (July 9, 2003). Checks for \$13.86 were mailed to music purchasers who filed valid claims, and the CDs were distributed to libraries and other organizations. For more information, go to <http://www.musiccdsettlement.com>.

In addition, music club members claimed that music manufacturers and distributors conspired among themselves and with music clubs to support the prices of music club CDs. Trowbridge v. Sony Music Entm't, Inc., No. 00-6065 (S.D.N.Y.). While the manufacturers, distributors and music clubs denied wrongdoing, the parties in Trowbridge entered a settlement agreement and then a later amended settlement agreement consisting of \$1.5 million to defray the costs of suit (including notice to the class members and attorney fees), plus transferable vouchers for 75% discounts, including free shipping and handling, on one, two or three CDs, depending on the number of CDs previously purchased. On December 3, 2003, Judge Hornby approved the Amended Settlement, but deferred awarding attorney fees until there was information as to

how many discount vouchers are exercised. After receiving that information, Judge Hornby awarded reduced attorney fees on March 29, 2005, and directed that \$265,571.42 go to music charities.

Four charities were proposed by the parties and an objector, and on August 9, 2005, Judge Hornby decided to award funds through the *cy pres* doctrine to two, WKCR-FM and the National Guild of Community Schools of the Arts (“Guild”). After receiving more detailed proposals, on September 30, 2005, Judge Hornby awarded approximately \$115,000 of excess settlement funds to WKCR-FM and over \$156,000 to the Guild. WKCR-FM, a radio station at Columbia University in New York, will create “Studio D,” which will be dedicated to digitally preserving and publicly broadcasting rare American music. The Guild, a non-profit organization also based in New York, will develop an Online Resource Center to assist community schools of the arts nationwide, most of which offer musical education. Both charities will file annual reports with the Court for the next three years.

For more information, contact Liaison Counsel.

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